

ACT No. 1

2016 Second Extraordinary Session

HOUSE BILL NO. 35

BY REPRESENTATIVE ANDERS

1 AN ACT

2 To amend and reenact R.S. 22:842 and to repeal R.S. 22:270, relative to the annual tax on
3 health maintenance organizations; to establish the rate of the annual minimum tax;
4 to provide for applicability; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 22:842 is hereby amended and reenacted to read as follows:

7 §842. Life, accident, health, or service insurance; health maintenance organizations;
8 Medicaid-enrolled managed care organizations

9 A.(1) Upon the business of issuing life, accident, health, or service insurance
10 policies, or other forms of contracts or obligations covering such risks, or issuing
11 endowment policies on contracts, or other similar forms of contract obligations, the
12 ~~minimum~~ annual tax shall be one hundred forty dollars when the gross annual
13 premiums are seven thousand dollars or less. When the gross annual premiums are
14 more than seven thousand dollars, the amount of tax payable shall be increased to
15 two hundred twenty-five dollars for each additional ten thousand dollars, or fraction
16 thereof, of gross annual premiums. The business of issuing each of the kinds of
17 insurance or contracts mentioned in this Section may be combined under one tax, and
18 the amount of the tax shall be based on the combined gross annual premiums of all
19 such businesses.

20 (2) The provisions of this Subsection shall not apply to health maintenance
21 organizations.

22 B.(1) Every health maintenance organization authorized and certified to
23 engage in the business of issuing contracts or other evidences or similar forms of
24 coverage to enrollees for healthcare services or prepaid medical services in this state,
25 including Louisiana partnerships authorized under R.S. 22:244(B), shall pay an

1 annual tax on the gross amount of its receipts from contracts and other evidences of
2 coverage at the rate of five hundred fifty dollars for every ten thousand dollars of
3 gross annual premiums collected.

4 (2) No provision of this Subsection shall be construed as relieving any
5 insurer from paying to the commissioner the fees otherwise required for qualifying
6 to do business, or for the renewal thereof.

7 (3) The commissioner of insurance shall comply with the provisions of R.S.
8 22:795 regarding the maintenance of books and records and the disposition of
9 collections.

10 C. Taxes collected under the provision of this Section from ~~health care~~
11 healthcare premium assessments paid by Medicaid-enrolled managed care
12 organizations, after first having been credited to the Bond Security and Redemption
13 Fund as required by Article VII, Section 9(B) of the Constitution of Louisiana, shall
14 be deposited into the Louisiana Medical Assistance Trust Fund.

15 Section 2. R.S. 22:270 is hereby repealed in its entirety.

16 Section 3. The provisions of this Act shall be applicable to all taxable periods
17 beginning on and after January 1, 2016.

18 Section 4. This Act shall become effective upon signature by the governor or, if not
19 signed by the governor, upon expiration of the time for bills to become law without signature
20 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
21 vetoed by the governor and subsequently approved by the legislature, this Act shall become
22 effective on the day following such approval.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____